

**AGREEMENT FOR THE PROVISION OF INMATE HEALTH SERVICES
AT THE JACKSON COUNTY JAIL FACILITY**

This AGREEMENT entered into by and between the County of Jackson, located in the State of Indiana (hereinafter the "COUNTY"), and Advanced Correctional Healthcare, Inc. (hereinafter "ACH").

Recitals

WHEREAS, the COUNTY desires to provide professional and responsive healthcare services to the inmates of Jackson County Jail for the good health and well being of the inmates of the Jail; and

WHEREAS, ACH is a corporation which provides health care services in incarceration facilities.

THEREFORE, the parties enter into this AGREEMENT as hereinafter set forth.

Contract Documents

The entire agreement of the parties is set forth in the Contract Documents, which for the purposes of interpretation shall have the following hierarchy:

1. This AGREEMENT with all attachments and exhibits incorporated herein.

Definitions

1. JACKSON COUNTY INMATES. Jackson County Inmates shall be defined as those persons booked into custody of the Jackson County Sheriff's Department and presently incarcerated in the Jackson County Jail, not to include jail work release inmates, Jackson County inmates housed in other facilities or inmates housed for other counties, State Department of Corrections, INS, US Marshals, or other Federal Agencies (hereinafter "Jackson County Inmates").
2. NON-COUNTY INMATES. Non-County Inmates shall be defined as jail work release inmates, Jackson County Inmates housed in other facilities, inmates housed in the Jackson County Jail for other counties, State department of Corrections, INS, US Marshals, or other federal agencies (hereinafter "Non-County Inmates").

1.0 DUTIES AND OBLIGATIONS OF ACH

For and in consideration of the Compensation to be paid to ACH as hereafter set forth, ACH agrees as follows:

1.1 Scope of Services to be Provided by ACH

- 1.1.1 MEDICAL DIRECTOR/PHYSICIAN. Physician/nurse practitioner shall visit the facility once each week or as otherwise agreed to by the SHERIFF and ACH. Physician shall serve as the facility's Site Medical Director and be available by telephone to facility and medical staff on an on-call basis, seven (7) days per week, twenty-four (24) hours per day.

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1.1.2 ON-SITE SERVICES. ACH shall provide:

- 1.1.2.1 Pharmaceuticals, including prescription medications and prescribed over-the-counter medications (not to include HIV, Hepatitis, Multiple Sclerosis, Rabies, Cancer and/or court-ordered medications and testing);
- 1.1.2.2 On-site laboratory testing to include finger-stick blood sugar, urine dipstick for pregnancy and/or infection;
- 1.1.2.3 TB skin tests; and
- 1.1.2.4 Disposable medical supplies intended for one-time use (not to include durable or reusable equipment or supplies).

In addition, ACH shall provide on-site evaluation and medical care, prescribed over-the-counter medications, and disposable medical supplies as needed for Non-County Inmates. Pharmaceuticals for non-county inmates will be invoiced to the COUNTY at a discounted rate. All medical care provided by ACH shall be rendered by professionals licensed to practice in the State of Indiana.

1.1.3 OFF-SITE AND/OR MOBILE SERVICES. When off-site and/or mobile service care are required for medical reasons, ACH shall arrange and be financially responsible for the cost of inpatient hospital services, outpatient hospital services, mobile services, specialty services, dental care, laboratory, diagnostic testing, consultation services, and medically indicated ambulance transportation provided off-site or by mobile unit while the patient is a Jackson County Inmate, subject to the financial liability limit noted in Section 1.1.4. ACH shall arrange all off-site treatment and/or mobile services in accordance with the SHERIFF'S Policies and Procedures.

1.1.4 FINANCIAL LIABILITY LIMIT. ACH's total financial responsibility for the cost of off-site medical care, mobile services, dental, inpatient and outpatient hospital care, pharmaceuticals provided by hospital, mental health care, and diagnostic testing provided to Jackson County Inmates, shall be limited to an aggregate amount of five thousand dollars (\$5,000.00) per contract month with the COUNTY responsible for all off-site service and mobile service costs exceeding the aggregate limit. The date of service, or date of admission in the case of a hospital visit, shall be used to determine the calendar month in which the expenses are to be applied toward the \$5,000.00 aggregate limit. Any costs exceeding the \$5,000.00 aggregate limit, will be reconciled back to the COUNTY at the time the costs exceed the limit or monthly as needed. ACH shall not be financially responsible for any costs associated with off-site medical care and treatment for Non-County Inmates.

1.2 MANAGEMENT SERVICES. ACH shall provide management services to include: a comprehensive strategic plan; site specific policies, procedures, and protocols; Peer Review, Introductory In-Service Training for correctional officers with regard to accessing inmate healthcare services, Continuous Quality Improvement (CQI), Cost Containment, Utilization Management, and Risk Management programs; HIPAA (Health Insurance Portability and Accountability Act) and NCCHC (National Commission on Correctional Health Care) Compliance programs specific to the jail's medical operations.

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1.3 Staffing

ACH shall provide staffing limited to physician coverage necessary for the rendering of healthcare services to the inmates of Jackson County Jail as described herein. The minimum service requirements include:

1.3.1 **MEDICAL DIRECTOR/PHYSICIAN.** Physician/nurse practitioner shall visit the facility once each week or as otherwise agreed to by the SHERIFF and ACH. Physician shall serve as the facility's Site Medical Director and be available by telephone to facility and medical staff on an on-call basis, seven (7) days per week, twenty-four (24) hours per day.

1.3.2 **NURSING.** The COUNTY shall maintain forty (40) hours nursing and/or medical officer coverage per week. Nursing staff shall remain COUNTY employees.

1.4 Miscellaneous Duties and Obligations

1.4.1 **COLLECTION OF DNA/PHYSICAL EVIDENCE.** In those situations where ACH is the sole provider of nursing services at the facility, ACH shall perform the collection of physical evidence (hair, blood, saliva) for the purpose of DNA testing on-site with signed consent from the inmate in accordance with applicable NCCHC guidelines. Court-ordered collection of physical evidence shall be referred to the appropriate Emergency Room. ACH shall not be financially responsible for any costs associated with the collection or testing of physical evidence, including, but not limited to any associated medical and/or laboratory fees, added personnel and court costs, and the cost of DNA collection kits.

1.4.2 **BODY CAVITY SEARCHES.** In those situations where ACH is the sole provider of nursing services at the facility, ACH shall perform body cavity searches on-site with signed consent from the inmate in accordance with applicable NCCHC guidelines. Court-ordered body cavity searches shall be referred to the appropriate Emergency Room. ACH shall not be financially responsible for any costs associated with a body cavity search, including, but not limited to any associated medical and/or laboratory fees, and added personnel and court costs.

1.4.3 **HEALTH EDUCATION.** ACH shall provide health education materials to the Sheriff for inmate education.

1.4.4 **CARE REPORTS.** ACH shall review at the scheduled CQI meetings, the health care reports with the SHERIFF or his designee concerning the overall operation of the healthcare services program and the general health of the inmates of Jackson County Jail.

1.4.5 **MEETINGS.** ACH representatives shall meet, in accordance with a schedule agreed to by the SHERIFF and ACH, with the SHERIFF or his designee concerning procedures within the Jackson County Jail and any proposed changes in health-related procedures or other matters, which either party deems necessary.

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- 1.4.6 RECORDS. ACH shall maintain, cause, or require to be maintained complete and accurate medical records for each inmate who has received health care services. Each medical record shall be maintained in accordance with applicable laws, the Indiana Department of Corrections Minimum Standards for Jails and Lockups and the SHERIFF'S Policies and Procedures. The medical records shall be kept separate from the Inmate's confinement record. A complete original of the applicable medical record shall be available to accompany each inmate who is transferred from the Jackson County Jail to another location for off-site services or transferred to another institution. Medical records shall be kept confidential, subject to applicable law regarding confidentiality of such records. ACH shall comply with Indiana and Federal law and the SHERIFF'S policy with regard to access by inmates and jail staff to medical records. No information contained in the medical records shall be released by ACH except as provided by the SHERIFF'S Policy, by a court order, or otherwise in accordance with applicable laws. At expiration of the Contract period, all medical records shall be delivered to and remain with the SHERIFF. However, the SHERIFF shall provide ACH with reasonable ongoing access to all medical records even after the expiration of the Contract for the purpose of defending litigation. Inmate medical records shall at all times be the property of the Jackson County SHERIFF.

ACH shall make available to the SHERIFF, unless otherwise specifically prohibited, at the SHERIFF'S request, all records, documents and other papers relating to the direct delivery of health care services to Jackson County inmates hereunder.

During the Contract period and for a reasonable time thereafter, the SHERIFF will provide ACH, at ACH's request, the SHERIFF'S records relating to provision of health care services to inmates as may be reasonably requested by ACH in connection with an investigation of, or defense of any claim by a third party related to ACH's conduct. Consistent with applicable state and federal laws and the foregoing provision, the SHERIFF will make available to ACH such records as are maintained by the SHERIFF, hospitals and other off-site health care providers involved in the care or treatment of inmates (to the extent the SHERIFF has any control over those records) as ACH may reasonably request. Any such information provided by the SHERIFF to ACH that the SHERIFF considers confidential shall be kept confidential by ACH and shall not, except as may be required by law, be distributed to any third party without prior written approval by the SHERIFF. Notwithstanding any provision of this AGREEMENT to the contrary, the SHERIFF'S internal affairs investigative records shall not be required to be provided to ACH or any other person or entity (except as may be required by law).

- 1.4.7 SHERIFF'S POLICIES AND PROCEDURES. ACH shall operate within the requirements of the SHERIFF'S Policies and Procedures which directly relate to the provision of medical services and other Policies and Procedures of the SHERIFF which may impact on the provision of medical services. Such Policies and Procedures may change from time to time; if so, ACH will be promptly notified and shall operate within all policies or modifications thereof.

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1.5 ACH Will Not Be Responsible For:

- 1.5.1 **ELECTIVE CARE.** ACH shall not provide elective medical care to inmates. Elective medical care shall be defined as care which, if not provided would not, in the opinion of ACH's Medical Director (licensed physician employed by ACH), cause the inmate's health to deteriorate or cause harm to the inmate's well being. Decisions concerning elective medical care shall be consistent with the applicable American Medical Association (AMA) Standards.
- 1.5.2 **OTHER EXPENSES.** ACH will not be responsible for any other expenses, including, but not limited to, dentures and dental restoration, optical care, eyeglasses and optical supplies, durable medical equipment and supplies, prosthetics and prosthetic supplies. ACH shall not be financially responsible for the cost of care, testing and supplies associated with the treatment of HIV/AIDS, Hepatitis, Multiple Sclerosis, Rabies, Cancer, or complications thereof, and/or court-ordered medications and testing. ACH shall not be financially responsible for any costs associated with off-site care and treatment of Non-County Inmates.

2.0 DUTIES AND OBLIGATIONS OF THE SHERIFF

2.1 Security

The SHERIFF shall maintain responsibility for the physical security of the Jackson County Jail and the continuing security of the inmates.

ACH and the SHERIFF understand that adequate security services are necessary for the safety of the agents, employees and subcontractors of ACH as well as for the security of inmates and SHERIFF'S staff, consistent with the correctional setting. The SHERIFF will provide security sufficient to enable ACH and its personnel to safely provide health care services described in this contract.

The SHERIFF and the COUNTY shall not be liable for loss of or damage to equipment and supplies of ACH, its agents, employees or subcontractors unless such loss or damage was caused by the sole negligence of the SHERIFF'S employees.

The SHERIFF shall screen ACH's proposed staff to insure that they will not constitute a security risk. The SHERIFF shall have final approval of ACH's employees in regards to security/background clearance.

2.2 Office Equipment and Supplies

The SHERIFF shall provide use of COUNTY-owned office equipment, supplies and all necessary utilities in place at the Jail's health care facilities. Upon termination of this AGREEMENT, ACH shall return to the COUNTY possession and control of all COUNTY-owned medical and office equipment. At such time, the office equipment shall be in good working order, with allowances made for reasonable wear and tear.

2.3 Non-Medical Care of Inmates

The SHERIFF shall provide for all other personal needs (non-medical) of the inmates while in the Jackson County Jail, including but not limited to: daily housekeeping

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services, dietary services including special supplements, liquid diets, or other dietary needs, building maintenance services, personal hygiene supplies and services, and linen supplies.

2.4 Inmate Information

The SHERIFF shall provide, as needed, information pertaining to Inmates that ACH and the SHERIFF mutually identify as reasonable and necessary for ACH to adequately perform its obligations to the SHERIFF and the COUNTY.

3.0 COMPENSATION/ADJUSTMENTS

3.1 Annual Amount/Monthly Payments

The annualized amount to be paid by the COUNTY to ACH under this AGREEMENT is to be \$131,994.00. The COUNTY shall make monthly payments of 1/12th of this amount (\$10,999.50) to ACH prior to the first of each month during the term of this AGREEMENT.

3.1.1 ANNUALIZED AMOUNT UPON RENEWAL. Upon each renewal of this AGREEMENT, the annualized amount of increase shall not exceed 7%, unless agreed to by both parties in advance of the renewal date.

3.2 Quarterly Adjustments

Account reconciliation shall be completed for each fiscal quarter. Adjustments shall be made for variances in the average daily inmate population, non-covered pharmaceuticals purchased, and other expenses such as equipment or services purchased by ACH (with prior approval of the COUNTY) on behalf of the COUNTY. Any contract amount in arrears will be settled through reconciliation and adjusted accordingly. Adjustments will be made to the first monthly invoice prepared after reconciliation between ACH and the COUNTY. Payment of the adjusted amount will be due upon receipt of said invoice.

3.2.1 ADJUSTMENT FOR EXCESS AVERAGE DAILY POPULATION. Average daily population for a given quarter shall be determined from Jail census records. For billing purposes, the average daily population shall be based on an average population of 142 inmates per day. When the average daily population exceeds the base rate in any calendar quarter, the additional compensation due shall be figured on the average number of Jackson County Inmates above the base level for that quarter multiplied by the per diem rate of \$1.72 per inmate per day. *(Example: If ADP for Q2 2006 is 164, additional compensation due will be calculated as follows: 22 X \$1.72 X 91)* It is understood that Non-County Inmates are not included in the average daily inmate population.

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4.0 TERM AND TERMINATION

4.1 Term

The term of this AGREEMENT shall be from January 1, 2006 through December 31, 2006. This AGREEMENT shall automatically renew for successive one-year periods unless either party gives thirty (30) days notice prior to the end of a term.

4.2 Termination

- 4.2.1 **TERMINATION FOR LACK OF APPROPRIATION.** It is understood and agreed that this AGREEMENT shall be subject to annual appropriations by the Jackson County Board. Notwithstanding any provisions herein to the contrary, if funds are not appropriated for this AGREEMENT, then upon exhaustion of such funding, the COUNTY and SHERIFF shall be entitled to immediately terminate this AGREEMENT without penalty or liability. Recognizing that such termination may entail substantial costs for ACH, the COUNTY and SHERIFF will act in good faith and make every effort to give ACH notice of any potential problem with funding or appropriations. The SHERIFF shall pay for services rendered up to the point of termination.
- 4.2.2 **TERMINATION FOR CAUSE.** The SHERIFF reserves the right to terminate this AGREEMENT immediately in the event that ACH discontinues or abandons operations or if ACH fails to comply with any section or part of the AGREEMENT. The SHERIFF shall pay for services rendered up to and including the point of termination, but shall not pay any penalty.
- 4.2.3 **TERMINATION WITHOUT CAUSE.** Notwithstanding anything to the contrary contained in this AGREEMENT either the SHERIFF or ACH may, without prejudice to any other rights they may have, terminate this AGREEMENT for convenience and without cause, by giving thirty (30) days written notice to the other party.
- 4.2.4 **COMPENSATION UPON TERMINATION.** If any of the termination clauses are exercised, ACH will be paid by the SHERIFF for all scheduled work completed by ACH up to the termination date set forth in the written termination notice.

5.0 GENERAL TERMS AND CONDITIONS

5.1 Independent Contractor

It is understood and agreed that an independent contractor relationship is hereby established under the terms and conditions of this AGREEMENT. The employees or agents of ACH are not now nor shall they be deemed to be employees of the COUNTY or the SHERIFF and the employees of the COUNTY and the SHERIFF are not now nor shall they be deemed to be employees of ACH. ACH assumes all financial responsibility for the employees of ACH, such as wages, withholding taxes, social security, sales and other taxes, which may be related to the services to be provided under this AGREEMENT.

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5.1.1 **SUBCONTRACTING.** In order to discharge the obligations hereunder, ACH may engage certain health care professionals as independent contractors rather than employees. As the relationship between ACH and these health care professionals will be that of independent contractor, ACH will not be considered or deemed to be engaged in the practice of medicine or other professions practiced by these professionals. ACH will exercise control over the manner or means by which these independent contractors perform their medical duties. This control will be exercised reasonably consistent with the independent medical judgment these independent contractors are required to exercise. ACH shall exercise administrative supervision over such professionals necessary to insure the strict fulfillment of the obligations contained in this AGREEMENT. All terms and conditions of this AGREEMENT shall be included in all such subcontracts. For each agent and subcontractor, including all medical professionals, physicians, and nurses performing duties as agents or independent contractors of ACH under this AGREEMENT, ACH shall provide the SHERIFF proof that, for each such professional, there is in effect during the period that person is engaged in the performance of this AGREEMENT, a professional liability or medical malpractice insurance policy, in an amount or amounts of one million dollars coverage per occurrence and three million dollars annual aggregate coverage.

5.1.2 **HIRING OF ACH STAFF.** While ACH is pleased to provide staffing during this engagement, ACH does not expect the COUNTY to offer permanent employment to ACH physicians and/or nurse practitioners. ACH has a significant investment in the training and professional development of our physician and nurse practitioner staff and they are valued employees or independent contractors of ACH. If COUNTY should hire any ACH physician and/or nurse practitioner during the contract term or within one year after contract termination, COUNTY will be billed a professional replacement fee of Ten Thousand Dollars (\$10,000.00) to compensate ACH for this employee or independent contractor.

5.2 **Equal Employment Opportunity**

ACH will not discriminate against any employee or applicant for employment because of race, color, religion, sex, ancestry, national origin, place of birth, or because of the attainment of forty (40) or more years of age, or handicap unrelated to the bona fide occupational qualification of the position, or status as a disabled veteran.

5.3 **Miscellaneous General Terms and Conditions**

5.3.1 **ENTIRE AGREEMENT.** This AGREEMENT with the attached Health Care Program and Cost Proposal constitutes the entire agreement of the parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions and agreements that have been made in connection with the subject matter hereof.

5.3.2 **HOLD HARMLESS.** ACH shall hold harmless the COUNTY, SHERIFF, and any and all of their agents and employees against any loss or damage, including reasonable attorney fees and other costs of litigation, caused or necessitated by

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the sole negligence of ACH, its agents, employees or vendors related to medical treatment or care provided by ACH.

- 5.3.3 WAIVER OF BREACH. The waiver of either party of a breach or violation of any provision of this AGREEMENT shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.
- 5.3.4 OTHER CONTRACTS AND THIRD PARTY BENEFICIARIES. The parties acknowledge that ACH is neither bound by or aware of any other existing Contracts to which either the SHERIFF or the COUNTY are a party and which relate to the provision of medical care to Inmates at the Jackson County Jail. The parties agree that they have not entered into this AGREEMENT for the benefit of any third person or persons, and it is their express intention that this AGREEMENT is intended to be for their respective benefits only and not for the benefits of others who might otherwise be deemed to constitute third-party beneficiaries thereof.
- 5.3.5 AMENDMENTS. This AGREEMENT may be amended at any time only with the written consent of both parties.
- 5.3.6 SEVERABILITY. In the event any provision of this AGREEMENT is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this AGREEMENT which shall remain in full force and effect and enforceable in accordance with its terms.
- 5.3.7 EXCUSED PERFORMANCE. In case performance of any terms or provisions hereof shall be delayed or prevented because of compliance within any law, decree, or order of any government agency or authority, local, State, or Federal, or because of riots, or of public disturbances, strikes, lockouts, differences with workmen, fires, floods, Acts of God, or any other reason whatsoever which is not within the control of the parties whose performance is interfered with and which, by the exercise of reasonable diligence, said party is unable to prevent, the party so suffering may at its option suspend, without liability, the performance of its obligations hereunder during the period such cause continues.
- 5.3.8 NOTICES. All notices to the SHERIFF and to the COUNTY shall be addressed to the SHERIFF at the Jackson County Sheriff's Department, 150 E. State Road 250, Brownstown, IN 47220. All notices to ACH shall be addressed to ADVANCED CORRECTIONAL HEALTHCARE, INC., Attn: Norman R. Johnson, MD, P.O. Box 10260, Peoria, IL, 61612-0260.
- 5.3.9 GOVERNING LAW. This AGREEMENT shall be governed by the laws of the State of Indiana.
- 5.3.10 COUNTERPARTS. This AGREEMENT may be executed in several counterparts, each of which shall be in an original and all of which together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the date and year written below.

COUNTY OF JACKSON, IN

ADVANCED CORRECTIONAL
HEALTHCARE, INC.


Sheriff Perry Hounshel
Sheriff


Norman R. Johnson, MD
President/CEO

12/20/05

DATE

28 Dec 05

DATE


President, County Commissioners

12-20-05

DATE


County Commissioner

12-20-05

DATE

JERRY FISH - ABSENT
County Commissioner

12-20-05

DATE

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HEALTHCARE PROGRAM

Advanced Correctional Healthcare (ACH) would like to recommend a program that provides high-quality, evidence-based healthcare for the detainees of the Jackson County Sheriff's Department while controlling costs, reducing risk and improving the quality of care.

In our opinion the Jackson County Sheriff's Department would benefit from a high-quality managed healthcare program that provides physician, nursing services, pharmaceuticals with specified exclusions, on & off-site treatment and care including hospitalizations, specialty services, laboratory services, x-ray services, non-durable medical supplies, dental services and healthcare management services. ACH will provide the following services and be responsible for the costs associated with said services as specified.

The ACH program will include the following services:

- **PHYSICIAN SERVICES:**
 - On-site weekly with 24 hr a day, 7 day a week call
 - Site Medical Director responsible for all medical decisions
 - Available via cell phone with a Call Schedule for 24 hour a day coverage
- **NURSING SERVICES:**
 - On-site nursing services 40 hours per week
 - Employee of Jackson County
 - Complete Training: on policies, procedures, protocols
 - Provide nurse sick call, triage medical requests, coordinate on & off site treatment, provide medication management & records management
- **ON / OFF SITE SERVICES:**
 - **Pharmaceuticals** including prescription and prescribed over-the-counter medications for all detainees classified as Jackson County excluding HIV/AIDS, Hepatitis, Rabies, M.S., Cancer and Court-ordered medications. Detailed explanation attached.
 - **Hospitalizations and Off-Site Services:** to include all costs associated with hospital services, specialists, consultations, specialty services, dental services, laboratory services, x-ray services and emergency transportation for all detainees classified as Jackson County up to the Capped Liability Limit of \$ 5,000.00 aggregate per month excluding HIV/AIDS, Hepatitis, Rabies, M.S., Cancer related services, treatment and care and court-ordered treatments.
 - **Medical Supplies:** to include all disposable medical supplies, such as tongue depressors and band aids, required for the treatment and care of all detainees housed in the Sheriff's facility
- **MANAGEMENT SERVICES:**
 - **Risk Management:**
 - Site Specific Policies: NCCHC standards

- Nursing Protocols
- Orientation Training for correctional staff
- In-Service Training for all medical personnel
- Inmate Health Education
- HIPAA & NCCHC Compliance
- **Cost Containment**
 - Network Provider Discount Program
 - Contract & Discount Verification & Monitoring
 - Invoice Re-pricing & Verification
- **Continuous Quality Improvement**
 - Strategic Plan – developed at commencement & revised through the CQI process
 - Peer Reviews – all medical personnel; conducted quarterly
 - CQI Meetings – complete review of program and statistics; scheduled every 3 – 4 months
- **Utilization Management**
 - Site Physician / Medical Authority – responsible for all medical decisions
 - Physician – Physician Communication – assure all care is appropriate & timely
 - Service Review – assures all treatment is timely, appropriate & patient is back to facility as soon as possible
- **Corporate Support**

With this program Physician Services, Nursing Services and Medical Supplies are provided for all detainees housed in the Jackson County Sheriff's facility. Pharmaceuticals, hospitalizations, off-site services, dental services, laboratory and emergency transportation services apply only to those detainees classified as Jackson County. Detainees housed from other sources such as the Dept. of Corrections will remain the responsibility of the Sheriff and billed as directed. ACH will work with the Sheriff to secure the best possible price for pharmaceuticals or other medical services.

It is the goal of Advanced Correctional Healthcare to develop a working partnership with the Jackson County Sheriff's Department to deliver the highest quality of detainee healthcare and client services possible. Advanced Correctional Healthcare will work with Sheriff Jerry Hounshel and the staff at the Jackson County Sheriff's Department to implement a program designed to achieve the goals of the facility while meeting the healthcare needs of the detainees.

ADDITIONAL INFORMATION

SERVICES

Physician Services, Nursing Services and Medical Supplies are provided for all detainees housed in the Jackson County Sheriff's facility. Pharmaceuticals, hospital services, consultations, specialty services, dental services, laboratory services, x-ray services, and emergency transportation services apply only to those detainees classified as Jackson County. Detainees housed from other sources such as the Dept. of Corrections or other counties, will remain the responsibility of the Sheriff and billed as directed. ACH will treat all patients regardless of classification or source and secure necessary pharmaceuticals and treatment with financial responsibility as stated above.

PHARMACEUTICAL EXCLUSIONS:

Regarding the pharmaceutical exclusions we realize there are numerous illnesses or diseases that are rarely seen in the jail environment. These illnesses or diseases include HIV/AIDS, Hepatitis, Multiple Sclerosis, Rabies and Cancer. Our program is often compared to that of an insurance policy and with any insurance coverage a risk factor is calculated that assumes you will have a specific number of occurrences in a given period of time. With our experience and knowledge related to these five illnesses or diseases in a jail environment, we have excluded these from our service program. This allows ACH to reduce the annualized program cost to the County and enables the County to pay for these treatments on an as-needed basis only. In the event the Sheriff's Department would have to treat one of these specified diseases, ACH would provide the on-site medical care and would work with the Sheriff to secure the best possible price for pharmaceuticals and treatments.

CAPPED LIABILITY LIMIT

Our proposal consists of a comprehensive managed healthcare program that includes a Shared-Risk arrangement between Advanced Correctional Healthcare and the Jackson County Sheriff. A Shared Risk program allows ACH to reduce the annualized program cost to the County by incorporating a Capped Liability Limit. With a Capped Liability Limit, ACH will be responsible for all on & off-site service costs as described in the attached healthcare program, for detainees classified as Jackson County, up to a specified financial limit aggregate per month with the County responsible for all off-site service costs exceeding that limit. This proposal includes a \$ 5,000.00 Capped Liability Limit aggregate per month with ACH responsible for the first \$ 5,000.00 in cost as specified. ACH will work with the County to control costs regardless of the financial responsibility and will extend all negotiated discounts with providers to the Sheriff.

COURT ORDERED SERVICES:

This program also excludes all court-ordered medications and court-ordered testing. Due to the nature of being court-ordered our site physician has no control over the treatments or testing requirements and therefore is unable to recommend alternative recommendations or treatments. ACH will work with the Sheriff to secure the best possible price for pharmaceuticals and treatments.

DETAINEES HOUSED FROM OTHER SOURCES:

It is our understanding that the County houses detainees from other sources such as the Department of Corrections and the County bills those sources direct for detainee healthcare services and pharmaceuticals. With our program, the medical team will provide physician, nursing service and medical supplies to all detainees housed in the Jackson County jail facility. For those detainees housed from other sources, such as the Dept. of Corrections, we will manage on and off site care and the County will retain responsibility for the costs of all pharmaceuticals, hospitalizations, off-site services, dental, laboratory, x-rays and any other type of off-site care that may be required.

ACH works with vendors who have the ability to provide separate billing for services related to detainees housed from other sources and will bill the County as directed. This benefit may assist in reducing the manpower requirements associated with billing the Department of Corrections, INS or other counties.

COST PROPOSAL

The cost for the provision of healthcare services as outlined in the Advanced Correctional Healthcare program is as follows:

ANNUAL CONTRACT FEE: **\$ 131,994.00**

Based on 12 month agreement with monthly payment due prior to the beginning of the month of service. Monthly fee: \$ 10,999.50

BASE POPULATION:

Annual fee based on 142 detainees classified as Jackson County and 34 detainees housed at Jackson County from other sources.

CAPPED LIABILITY LIMIT: **\$ 5,000.00**

The Capped Liability Limit is aggregate per month and associated with on and off site services as specified in the Healthcare Program proposal.

PER DIEM RATE: **\$ 1.72**

The Base Population is reconciled on a quarterly basis based on the site ADP numbers as provided by the Sheriff's department.

ANNUAL RATE OF INCREASE: (not to exceed) **7%**

This proposal was based on the services as specified in the Healthcare Program and utilizing the Base Population number as specified above. Changes, additions or modifications to the services and/or base population number may result in an adjustment to the proposal cost.

This is a cost proposal only and not a legal-binding agreement. The Advanced Correctional Healthcare Service Agreement is considered a legal document and binding upon signature of both parties.

This proposal is valid for ninety (90) days from the above stated date.